

January 1965

Book Review: Registration and Regulation of Brokers and Dealers

Sanford B. Hertz

Follow this and additional works at: <https://digitalcommons.du.edu/dlr>

Recommended Citation

Sanford B. Hertz, Book Review: Registration and Regulation of Brokers and Dealers, 42 Denv. L. Ctr. J. 220 (1965).

This Book Review is brought to you for free and open access by the Denver Law Review at Digital Commons @ DU. It has been accepted for inclusion in Denver Law Review by an authorized editor of Digital Commons @ DU. For more information, please contact jennifer.cox@du.edu, dig-commons@du.edu.

Registration and Regulation of Brokers and Dealers

BY EZRA WEISS

Washington: Bureau of National Affairs, Inc., 1965.

Pp. xxviii, 363. \$17.50.

At a time when both Securities and Exchange Commission (S.E.C.) and congressional emphasis has been on amendments to the regulations of brokers and dealers, and to a general introspection of the regulations involving the sale of securities, Mr. Weiss has published a treatise which does credit to himself and is helpful to both the legal and investment banking professions.

Mr. Weiss, counsel to the New York Regional Office of the Securities and Exchange Commission, develops not only an erudite discussion of his subject, but brings a wealth of practical experience from his long service with the Securities and Exchange Commission.

The book is simplified into a number of parts and sections, with detailed subheadings, making it relatively easy to obtain direct reference to the subject matter desired. The registration of brokers and dealers is treated in detail, thereby simplifying the preparation of forms and understanding the qualifications necessary of brokers and dealers. In addition, the financial requirements, bookkeeping obligations, credit arrangements and similar special regulatory requirements of brokers and dealers are detailed simply and with excellent references. The statutes are well outlined and detailed references are made to the special market study conducted by the Securities and Exchange Commission and to a wealth of various case law in the specific area. Perhaps one of the most significant areas of this treatise is found in the sections setting forth the penalties for violations of the rules and detailing the enforcement proceedings which can be taken by the Commission. While no confidential or "inside" information is disclosed, Mr. Weiss sets forth specifically and simply, for the benefit of those participating in any administrative proceeding, some excellent hints and guidelines in both defense and analysis of these proceedings.

Perhaps if there can be any general criticism of the book, it would be that many areas are over-simplified. This is now a most involved and specialized area of the security laws, and more detail might have been helpful to the attorney.

The practitioner, however, or even members of the investment banking community, now with this treatise, supplemented with Professor Loss's excellent work on "Securities Regulation," can certainly be directed to some fundamental requirements and helpful answers to knotty problems.

More and more it appears that specialized treatises will now be written on the ever growing maze of complicated security regulations which are rapidly transcending upon both counsel and members of the investment fraternity. Mr. Weiss has demonstrated ability to simplify some complicated issues in order to assist those who practice in this field, and make their lot indeed easier. Certainly for those that intend either forming a broker-dealer or representing one, and those who desire a general knowledge of these operations, this book is mandatory.

*Sanford B. Hertz**

*Member, Colorado and Michigan Bars; A.B., Pennsylvania State University, 1952; J.D., University of Michigan, 1955.

Statute Making

BY ARMAND B. COIGNE

Chicago: Commerce Clearing House, Inc., 1965. Pp. 293. \$12.50

The book's preface announces a dual purpose: to educate persons without any knowledge of law in the business of statute-making, and to function as a reference work for the lawyer. It is more successful in the former, and may be welcomed as a noble effort to encompass all fifty state legislatures in a collective statement of principles. A most frustrating task this must have been. Accuracy requires mention of any significant departures from the norm, but there are so many departures by various state legislatures that it is hard to remember what the norm is. Nevertheless, and notwithstanding the disparities which occasion such difficulty, the book is a workmanlike statement of the materials essential to a general understanding of legislative procedure. The old-standby, Robert's *Rules of Order*, is not enough to guide one through the maze of legislative procedure.

Aside from the book's value as a contribution to the general literature, it is difficult to guess what the market will be for it. Few persons require procedural details about *all* the state legislatures. Most lobbyists and lawyers are concerned with the workings of their own unique legislature, and can obtain locally a handbook with answers more thorough and authoritative than can be achieved in a 293-page work covering the entire national scene.

An illustration of the author's problem appears in the discussion of the question which perennially plagues lawyers and the courts — Which Document *is* the Law? The book says, "There is a substantial difference of opinion concerning the conclusiveness of the enrolled act," and goes on to the next topic. To leave the matter without at least a mention of the fact that many jurisdictions permit the presumption of the enrolled bill's accuracy to be overcome by journal entries to the contrary, is to say too little. The subject reappears fifteen pages later, and the reader learns of the need to check local authorities on the question. A footnote supplies a Virginia citation. Altogether, the chapter on the Effect and Validity of Laws occupies six pages.

Readers in Massachusetts, Maine and Nebraska will find utility in the twenty pages devoted specifically to those legislatures and added by way of appendices.

The book is generously equipped with tables which must have required an immense amount of inquiry to assemble. One can learn, for example, that in nineteen states the tenure of office in the lower house equals that in the upper, raising in the reader's mind the question, "Then why call them 'lower' and 'upper'?" Another disclosure to be found in the tables is the inordinate number of people some states require to do their legislating. Connecticut has 280 members in its House alone. Rhode Island employs more legislators than California.

Another set of tables, ingeniously cross-referenced, is abundant with information about constitutional limitations on legislation. The New England legislatures, it appears, can still grant a bill of divorce-ment, simply because the constitutions of these states have not been amended to prohibit the practice.

It may be remarkable that there is as much uniformity as there is, among fifty "states' rights" sovereignties. A legislator from one state would feel at home observing the procedures of another, just as he does in the national Congress or even the House of Commons; but he could not risk participating in the actual chores without a local rule-book.

The present book is a second edition, the first having been issued in 1948. Presumably a third will be needed to inventory the changes which are bound to accompany the reforms flowing from the reapportionment decisions of the federal courts.

*Yale Huffman**

*Instructor of Legislation, University of Denver College of Law.